

USTRANSCOM to accelerate planning efforts for follow-on CCDoTT development and engineering activities to aid in the evaluation of current sealift designs, shipbuilding requirements and capabilities, and advanced shipbuilding technology, and examination of market opportunity and economic viability. The USTRANSCOM shall provide to the

House and Senate Committees on Appropriations by no later than September 30, 2001 an outyear funding plan including funding requirements and a milestone timetable for continuing the follow-on development and engineering studies for this effort.

#### REVOLVING AND MANAGEMENT FUNDS DEFENSE WORKING CAPITAL FUNDS

The supplemental request included \$178,400,000 for functions funded in title V, Revolving and Management Funds, of the Department of Defense Appropriations Act. The conferees recommend \$178,400,000 as detailed in the following table.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Utilities .....	178,400	178,400	178,400	178,400
Defense Working Capital Funds .....	(178,400)	(178,400)	(178,400)	(178,400)

#### OTHER DEPARTMENT OF DEFENSE PROGRAMS

The supplemental request included \$1,453,400,000 for functions funded in title VI,

Other Department of Defense Programs, of the Department of Defense Appropriations Act. The conferees recommend \$1,603,400,000, instead of \$1,653,400,000 as proposed by the

House and \$1,522,200,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Defense Health Program .....	1,453,400	1,653,400	1,522,200	1,603,400
Operation and Maintenance, Defense Health Program .....	(1,427,000)	(1,427,000)	(1,427,000)	(1,427,000)
Operation and Maintenance, Defense Health Program (for utilities) .....	(26,400)	(26,400)	(26,400)	(26,400)
Operation and Maintenance, Defense Health Program (MTF Optimization) .....	(0)	(200,000)	(0)	(120,000)
Operation and Maintenance, Defense Health Program (MTF Operations) .....	(0)	(0)	(68,800)	(30,000)
Drug Interdiction and Counter-Drug Activities, Defense (for utilities) .....	0	1,900	0	0

#### SUPPORT TO MILITARY MEDICAL TREATMENT FACILITIES

The conferees have agreed to provide an increase over the President's budget request of \$150,000,000 to initiate an effort to reverse the disinvestments in the military direct care system. This compares to an increase of \$200,000,000 proposed by the House and an increase of \$68,800,000 proposed by the Senate. The conferees agree that better utilization of direct care military medical treatment facilities must be a principal component of the Department's future plans to control the explosive cost growth in the Defense Health Program. These funds are to be distributed as follows:

\$30,000,000 for Army optimization projects;  
\$30,000,000 for Navy optimization projects;  
\$30,000,000 for Air Force optimization projects;  
\$30,000,000 for advanced medical practices;  
\$30,000,000 for other direct care/MTF requirements.

The conferees agree to the direction provided in the House report outlining the types of optimization projects that are eligible for these funds, guidance on calculating the cost effectiveness proviso in the bill for potential optimization projects, and the requirement for reporting to Congress on the use of these funds. The conferees agree that the \$30,000,000 reserved for advanced medical practices shall be used to implement newly developed practices, procedures and techniques such as laser refractive eye surgery, liquid based cytology, positron emission tomography, non-invasive colonoscopy, and rigorous pre-symptomatic screening to augment existing DoD personal wellness and readiness programs.

#### OUTCOMES MANAGEMENT DEMONSTRATION

The conferees support the outcomes management demonstration at the Walter Reed Army Medical Center (WRAMC). In addition, the conferees have provided an additional \$30,000,000, to remain available until expended, to address immediate shortfalls in the direct care system and military medical treatment facilities. From within these funds, the conferees direct that \$16,000,000 be made available to continue the outcomes management demonstration at WRAMC.

#### RECOVERY OF OVERPAYMENTS

The conferees are aware of potentially significant opportunities to recover past capital and direct medical expense (CDME)

overpayments to civilian hospitals. The conferees urge the Secretary of Defense to act expeditiously to recover such overpayments, and to evaluate the use of existing, innovative methodologies developed in the private sector for this type of recovery auditing.

#### CLASSIFIED PROGRAMS

The recommendations of the conferees regarding classified programs are summarized in a classified annex accompanying this statement.

#### GENERAL PROVISIONS—THIS CHAPTER

The conferees agree to delete language as proposed by the House concerning the availability of funds provided in this chapter.

The conferees agree to retain section 1201, as proposed by the Senate concerning fuel transferred by the Defense Energy Supply Center to the Department of the Interior.

The conferees agree to retain section 1202, as proposed by the House and Senate concerning funds for intelligence related programs.

The conferees agree to retain section 1203, as proposed by the Senate which provides \$44,000,000 for the repair of the *U.S.S. COLE*.

The conferees agree to amend section 1204, which rescinds \$1,034,900,000 of prior year appropriations, instead of \$834,000,000 as proposed by the House and \$792,000,000 as proposed by the Senate. The specific programs and the amounts rescinded are as follows:

(Rescissions)

2000 Appropriations: Procurement, Marine Corps: Shortstop .....	\$3,000,000
2001 Appropriations: Overseas Contingency Operations Transfer Fund .....	200,000,000
Aircraft Procurement, Navy: MV-22 .....	199,000,000
Shipbuilding and Conversion, Navy: LPD-17 .....	75,000,000
Procurement, Marine Corps: Shortstop .....	5,000,000
Aircraft Procurement, Air Force: CV-22 .....	327,500,000
Other Procurement, Air Force: Selected Activities .....	65,000,000
Procurement, Defense-Wide: NSA—Classified Equipment .....	85,000,000

Research, Development, Test and Evaluation, Defense-Wide: PIPES ..	4,000,000
Research, Development, Test and Evaluation, Defense-Wide: COTS Visualization and Blast Modeling for Force Protection .....	3,000,000
Foreign Currency Fluctuation, Defense .....	68,400,000

The conferees agree to amend section 1205, as proposed by the House which provides \$39,900,000 to repair facilities damaged by natural disasters.

The conferees agree to retain section 1206, as proposed by the House which extends the authorities provided in section 816 of the National Defense Authorization Act of 1995, as amended, through January 31, 2002.

The conferees agree to retain section 1207, as proposed by the Senate concerning retaining all or a portion of Fort Greely, Alaska for missile defense requirements.

The conferees agree to retain section 1208, as proposed by the Senate which makes a technical correction to the fiscal year 2001 appropriation for Maritime Fire Training Centers.

The conferees agree to retain section 1209, as proposed by the Senate which earmarks funds to repair storm damage at Fort Sill, Oklahoma and Red River Army Depot, Texas.

The conferees agree to amend section 1210, as proposed by the Senate which allows for the conveyance by the Secretary of the Army of certain firefighting and rescue vehicles to the City of Bayonne, New Jersey.

The conferees agree to retain section 1211, as proposed by the Senate which prohibits obligating or expending any fiscal year 2001 funds for retiring or dismantling any of the current force of 93 B-1B Lancer bomber aircraft in fiscal year 2001. The Department of Defense has proposed to retire 33 B-1B aircraft at three locations and use a portion of the savings to upgrade the remaining 60 aircraft in the fleet. The conferees note that this provision does not preclude any planning activities by the Department of Defense to retire these 33 aircraft in the future, nor does it prohibit implementation of this plan in FY 2002. The intent of this provision is to afford the Congress and the Department a sufficient amount of time to review the full